

**COST OF GOVERNMENT COMMISSION
MINUTES
“Hybrid-Remote” Via BlueJeans Videoconference
and
In-Person, Mayor’s Conference Room, 9th Floor, Kalana O Maui Building
March 28, 2023**

PRESENT: Michael Williams, Chair
Daniel O’Brien, Vice Chair
Evan Dust, Member
Paula Heiskell, Member
Lu Ann Lankford-Faborito, Member
Poerava Tehiva, Member

EXCUSED: Spencer Lau, Member
Sarah Simmons, Member

ADMIN: Sharon Banaag, Executive Assistant, Office of the Mayor, and Ex-Officio Member

STAFF: Caleb Rowe, Deputy Corporation Counsel
Shelley Pellegrino, Technical Writer for the Commission
Lance Taguchi, County Auditor

OTHER: Sonya Toma, First Deputy Corporation Counsel

I. CALL MEETING TO ORDER

Chair Williams called the meeting to order at 10:00 a.m.

II. ROLL CALL

Chair Williams took roll. Commissioners Dust, Heiskell, Lankford-Faborito, Tehiva, Vice-Chair Daniel O’Brien, and Chair Williams were present. Commissioners Lau and Simmons were excused. There is one vacancy. All commissioners appeared remotely via BlueJeans.

III. PUBLIC TESTIMONY

There was no public testimony.

IV. REVIEW CORRESPONDENCE RECEIVED

The Commission received [written testimony dated March 24, 2023, from Jen Russo, Executive Director, Maui Vacation Rental Association, regarding the “COGS Report on Managing Tourism and Visitor Numbers.”](#)

V. REVIEW AND APPROVE MARCH [MARCH 9, 2023 DRAFT COMMISSION MINUTES](#)

Vice-Chair O’Brien moved to approve the March 9, 2023 meeting minutes, and Commissioner Heiskell seconded the motion. There was no discussion. The Commission approved the minutes unanimously (6-0; two excused; one vacancy).

VI. COUNTY AUDITOR'S UPDATE

County Auditor Lance Taguchi stated that the Mayor's proposed budget includes \$55,000 as requested by the Commission. The proposed budget is now being reviewed by the County Council.

VII. UPDATE ON NON-TIG INVESTIGATIONS

A. Visitor Accommodations — Policy Options for Management (Chair Williams)

- Review and Possibly Approve [Draft Report on Policy Options for Managing Visitor Numbers by Managing Visitor Accommodations](#)

There was no public testimony.

Vice-Chair O'Brien moved to approve the Report on Policy Options for Managing Visitor Numbers by Managing Visitor Accommodations. Commissioner Lankford-Faborito seconded the motion.

Commissioner Dust stated that he thought the current draft was a more balanced and stronger document than the first draft. He suggested that there be more discussion about the potential implications of the policy measures recommended in the report. Specifically, he was concerned that limiting the supply of visitor accommodations might increase prices to the extent that it would work against the concept of "regenerative tourism." He noted there is a movement toward attracting visitors interested in learning more about the host culture and giving back to the community and environment by volunteering in a lo'i kalo (taro patch), for example. These types of visitors generally would be less interested in or possibly even be priced out of a high-end resort.

Commissioner Dust suggested adding a paragraph recognizing the economic impact of reducing supply and the potential unintended consequences of discouraging regenerative tourism that some in the community seek to promote.

Chair Williams proposed that the motion be amended to approve the report with the understanding that he and Commissioner Dust would draft a paragraph regarding the potential unintended consequences identified by Commissioner Dust.

Commissioner Dust amended the original motion to include a paragraph regarding the unintended consequences of reducing visitor accommodation supply. Commissioner Heiskell seconded the motion.

Vice-Chair O'Brien noted that the report is rooted in data, whereas the concern about unintended consequences was based more on a fear that something "might happen." He hoped any additional paragraph could include some type of data to support any claims that are made.

Commissioner Poerava noted her concern about an issue not raised in the report regarding people using vehicles as vacation rentals, and more generally how to regulate these and other types of illegal activities and educate people about what they can and cannot do. She also raised concerns about Native Hawaiians being priced out of Hawai'i and moving to the Mainland. She herself is a ninth generation Hana native and does not have a stable home. She added that she provides cultural activities to visitors in Hana

and that the tourism industry should provide more cultural experiences to visitors, but that sometimes the color of her skin makes it harder to attract visitors. She also pointed out that of all the bed and breakfast accommodations in Hāna, only one is Native owned. She would like to see whether there could be any type of regulation of the percentage of owners who are native to the area. She and her kupuna are concerned about their families and keeping their generational ties to Hāna.

Chair Williams expressed his appreciation to Commissioner Tehiva for her comments. He mentioned the Commission's homelessness report and the Council's subsequent bill passed on November 2022 that put a ban on campervans being used as visitor accommodations. He acknowledged her concern about people moving from the Mainland and displacing longtime residents.

Commissioner Dust posited that a lot of angst about the tourism industry is directly related to Commissioner Poerava's concerns. More specifically, if there was a higher proportion of Native Hawaiian ownership and control, we might not be arguing as much about how much tourism is enough. He does not think it is possible to have government mandate a particular ownership within the industry. At the same time, he said he was surprised that the Department of Hawaiian Homelands does not own a resort.

County Auditor Taguchi suggested that Commissioner Tehiva try to narrow her concerns to a single, manageable area that she is interested in and wants to investigate. For example, based on her comments, one area might be economic incentives for Native Hawaiians. She could contact the director of the Office of Economic Development and learn what OED does. She could then broaden her scope as she becomes more comfortable with the issue.

Chair Williams also stated that he would be in favor of the County Council finding ways to extract revenue from visitor accommodation owners and direct some of the revenue to address the concerns about lack of support for Native Hawaiians. He supported Commissioner Poerava taking up an investigation of some of the concerns she raised.

The Commission voted to approve the motion to amend 6-0, with 2 members excused, and one vacancy. The Commission then voted to approve the main motion, as amended, adopting the Report on Managing Visitor Numbers by Managing Visitor Accommodations 6-0, with 2 members excused, and one vacancy.

VIII. DISCUSS AND POSSIBLY APPROVE COST OF GOVERNMENT COMMISSION 2022–2023 ANNUAL REPORT

There was no public testimony.

Chair Williams expressed his appreciation to Technical Writer Shelley Pellegrino for her work in drafting the report.

Vice-Chair O'Brien moved to approve the Report on Policy Options for Managing Visitor Numbers by Managing Visitor Accommodations, and Commissioner Dust seconded the motion. The report was approved unanimously 6-0, with 2 members excused, and one vacancy.

IX. ACKNOWLEDGE OUTGOING COMMISSIONERS

Chair Williams expressed his appreciation to outgoing Commissioner Lankford-Faborito. Vice-Chair O'Brien expressed his appreciation to Chair Williams and Commissioner Lankford-Faborito, and to all the commissioners for their work over the past year.

Chair Williams asked Cory Vicens from the Office of the Mayor to provide the Commission with an update on the appointment process. Ms. Vicens stated that there will be five vacancies at the end of the 2023–2024 term. Commissioner Tehiva is eligible for reappointment because her current term is less than two years. For the remaining four vacancies, the Mayor's Office will accept applications on an ongoing basis. Beginning on July 1, 2023, all applications will flow through a new independent nomination board which will forward names to the Mayor prior to his submitting a list of nominees to the County Council.

With respect to the appointment process for the 2023–2024 term, Ms. Vicens explained that on March 10, 2023, the County Council approved the appointment of Cameron Dexter and Steven Knapp, and the reappointment of Evan Dust. The Council will also be reviewing the Mayor's nomination of Gayla Ann Haliniak-Lloyd from Moloka'i.

Commissioner Dust requested that Ms. Vicens provide Ms. Pellegrino with a link to the boards and commissions application that she could then share with the commissioners. Ms. Vicens responded that she would be happy to provide the link.

X. DETERMINE NEXT MEETING DATE AND AGENDA

Vice-Chair O'Brien, who will serve as the interim chair for the April meeting, indicated that he would be unavailable for the April 13, 2023 regularly-scheduled meeting. Commissioners agreed to work with Ms. Pellegrino to reschedule the meeting.

Commissioner Dust expressed his appreciation to Chair Williams for his service as Commission chair.

XI. ADJOURNMENT

The meeting adjourned at 10:53 a.m.